

Bassetlaw District Council Response to Inspectors Matters, Issues and Questions

Matter 5 – The Housing Requirement

4 November 2022

(Issue 5)

Please note: Where the Council is proposing changes to policies or reasoned justification in the submitted plan these are detailed in the responses as follows:

- Additional and new text proposed underlined
- ~~Deleted text~~ proposed strike through

Issue 5 - Is the identified housing requirement in Policy ST1, justified and consistent with national policy?

5.1 Is the Plan period 2020 to 2038 justified and consistent with national policy which requires strategic policies to look at least 15 years ahead from adoption?

BDC Response:

Yes, the Plan period 2020 to 2038 is consistent with the National Planning Policy Framework (NPPF) paragraph 22 in that 'strategic policies should look ahead for a minimum of 15 years from the date of adoption'. The Council's Local Development Scheme, May 2022 [BG-024] identifies a potential Local Plan adoption date of July 2023. This would mean the Local Plan would cover the minimum 15 years timespan.

This is considered justified in that it provides a sufficient timespan to provide an appropriate strategy for bringing sufficient land forward, and at a sufficient rate, to address objectively assessed needs over the Plan period as sought by the NPPF (paragraph 23). It is also effective, in that it enables the Council and its partners to anticipate and respond to long-term requirements and opportunities, such as those arising from major improvements in infrastructure, as required by the NPPF paragraph 22.

Additionally, Paragraph 1.16.1 of the Local Plan [SUB-010] and modification M1.6 [in SUB-009a] set out the anticipated timescale for review of the Plan, as being within 5 years from the date of adoption i.e. 2023, as required by the NPPF, paragraph 33. This is confirmed by paragraph 4.2 of the Local Development Scheme [BD-024] which states the assessment for review will be undertaken by 2028. It is considered that the approach taken to Local Plan review is justified giving the principles of the Local Plan sufficient time to deliver, but providing sufficient flexibility should the Council consider strategic policies require review within the Plan period.

5.2 Is the housing requirement of 10,476 homes during the 2020-2038 period (policy ST1) and the proposed uplift above Local Housing Need (LHN), to a figure of 582 dwellings per annum (dpa), justified by the Council's evidence? Are the assumptions of the 2019 Housing and Economic Development Needs Assessment and Addenda (SS-010, SS-007 and SS-024) soundly based, particularly in relation to:

- a) Identifying a baseline figure;
- b) Forecasts for economic growth;
- c) Alignment of jobs and workers; and
- d) Assumptions of housing requirements arising from economic growth.

BDC Response:

Yes, the housing requirement and the proposed uplift to the housing need figure to 582 dwellings per annum (dpa) is justified in the Council's evidence and is soundly based. This need figure is calculated in the Housing and Economic Development Needs Assessment Addendum, May 2022 [SS-024] undertaken by Icen Projects.

The figure is an economic-led housing need which exceeds the Standard Method. As per the Housing and Economic Development Needs PPG "the approach can be considered sound as it will have exceeded the minimum starting point" (Paragraph: 015 Reference ID: 2a-015-20190220 Revision date: 20 02 2019).

While not set out in the HEDNA Addendum, May 2022 [SS-024], the Standard Method at the time (which remains the case now) results in a need for 279 dpa. This is based on a demographic growth (or baseline) of 237 households per annum uplifted by 18% to 279 dpa based on an affordability ratio of 6.81 (i.e. median house prices at 6.81 time median earnings of those living in the borough). Neither the cap nor the urban centre uplift applies to Bassetlaw.

As set out at paragraph 2.8 [of SS-024], the baseline economic forecasts result in a decline in jobs of around 1,280 over the 2020 to 2028 period. However, the economic-led housing need is not based on these economic forecasts but, rather, a more positive position which reflects the pipeline of employment land in the district.

The resultant jobs growth is calculated at paragraph 2.9 to 2.14 [of SS-024]. This shows a jobs growth of between 9,852 to 11,354 over the 2020-38 period with the range reflecting assumptions around the amount of jobs that will be delivered at Apleyhead Junction (see Table 2.3 [of SS-024]).

To ensure there is enough labour supply to support this jobs growth the Local Plan has planned for the delivery of 582 dwellings per annum. This will ensure that migration to the district will be high enough to provide a sufficient labour pool.

Appendix A of the HEDNA Addendum [SS-024] sets out these steps in detail, but in summary this calculation takes into account the fact that:

- Not all people will be economically active (Economic Activity Rates ((paragraphs 3.3-3.5)) – Based on OBR projections, Icen Projects have assumed an increasing level of people working, particularly women and people of a pensionable age (see Figure 11);
- Some people will live in the district but work outside it and vice-versa (commuting ratios ((paragraphs 3.7-3.8)) – Based on 2011 Census data, Icen Projects have assumed that the ratio of people working in the district to those living in the district and in work (anywhere) will be maintained. Therefore a continued level of out-commuting is assumed (Ratio of 1.018). As a sensitivity it is also assumed that a greater proportion of the working residents will work in the district (Ratio of 1).
- Some will have more than one job (double jobbing (paragraphs 3.9-3.10)) – Using data from the Annual Population Survey, Icen Projects have assumed the number of people with more than one job will continue at long term average rates (4.1%).
- Some people in the district will be unemployed and seeking work (unemployment (paragraphs 3.11-3.14)) – Using Claimant Count data, Icen Projects have assumed that the additional number of unemployed people that emerged during the pandemic will be brought back into the labour force (1,870 people returning to work).

This gets to a position where the population growth is that which would provide enough labour to support the expected jobs growth. This then needs to be translated into

housing. To do this age and sex specific household formation rates have been applied and a level of vacancy assumed within the housing stock.

While not in the 2022 HEDNA Addendum [SS-024] a vacancy rate of 3% has been applied (an uplift to household growth to reflect transactional vacancies and to allow movement in the market) – this is a fairly standard figure and has typically been used across areas by Icen Projects for at least the past 3 years. Household formation rates are based on a part-return to trend methodology which uses the 2014-based sub-national household projections (SNHP) and applies an uplift to younger age groups (those aged 25-44) to take account of suppressed household formation within these cohorts.

As Table 3.7 [of SS-024] sets out, the housing need ranges from 523 to 590 dwellings per annum. The final housing need of 582 dpa is based on delivering the higher number of jobs associated with Apleyhead (higher scenario) and also a greater retention of local labour (1:1 commuting scenario).

This level of growth will ensure an alignment between homes and jobs growth in the district and has been adopted as the housing requirement.

The approach Icen Projects have used draws on published datasets, used and produced by credible sources. Icen Projects consider these have been interpreted sensibly and, where necessary, used longer term trends rather than snapshot data which can be prone to errors.

Icen Projects consider this approach has also been used, and been found sound, at local plan examinations across the country.

- 5.3 In relation to Affordable Housing Needs, is the identified need for 214 dpa been based on robust, up-to-date information? How has this been considered in the overall housing requirement? Based on the thresholds and requirements in Policy ST29, will affordable housing needs be met?

BDC Response:

Yes, the calculation of affordable housing need is based on robust and, the most up to date information available at the time.

The calculation of affordable housing need is set out in the Bassetlaw Housing and Economic Development Needs Assessment, November 2020 [SS-007] undertaken by Icen Projects. In Chapter 6, Icen Projects have used a range of datasets to calculate affordable housing need in Bassetlaw. In all cases, Icen Projects have used the most up to date and robust versions available and have followed the relevant Housing and Economic Needs Assessment PPG guidance.

The housing requirement is an economic-led housing need. As stated above, the housing need is in excess of the standard method and should be found sound.

The additional 303 units planned for above the standard method (582 dpa – 279 dpa) will also help deliver additional affordable housing through developer contributions, that should the housing requirement be at or under the standard method, would not exist. The increase would also, therefore, address affordable housing need through a supply response.

The standard method includes an uplift to address affordability. This is, in theory at least, intended to improve affordability, which in turn would also reduce affordable housing need (as house price (and rents)) will be lower.

The Whole Plan Viability Assessment 2022 [PUB-028] tested a range of affordable housing delivery from 10-30% in combination with a range of infrastructure contributions per dwelling on greenfield and brownfield sites. It recognised that brownfield development is likely to be less viable than greenfield development and therefore introduced a differential affordable housing requirement of 25% for greenfield sites and 20% for brownfield sites. The assessment results demonstrate positive viability margins incorporating a reasonable 'buffer'. As such, the proposed affordable housing requirements within Policy ST29 are considered to be the most appropriate, taking in account local evidence of viability.

Based on the thresholds and requirements in Policy ST29 the Council expects to secure approximately 768 affordable dwellings from Local Plan site allocations (paragraph 7.17.19 [of SUB-010]) by 2038. It is considered this demonstrates the effectiveness of the policy in helping to maximise affordable housing delivery as a proportion of mixed market and affordable housing developments by the end of the Plan period.

Additionally, since the start of the Plan period 316 affordable units have been completed in the District (Authority Monitoring Report [PUB-004]). A further 123 dwellings are currently being developed and an additional 687 units have planning permission and are expected to be delivered by 2025/26.

There is no requirement for the Local Plan or the planning system to fully meet the identified affordable housing need. As such, the Council is of the view that the planning system, including Policy ST29, is making a fair and proportionate contribution towards meeting affordable housing needs over the Plan period, whilst not undermining deliverability of housing within the District.

Paragraph 7.17.25 [of SUB-010] states that in partnership with a range of housing providers, the Council will continue to facilitate, via the Bassetlaw Housing Strategy 2021 [BG-026], affordable housing through other routes which will complement the above.

- 5.4 Should there be a housing requirement for designated neighbourhood areas in Policy ST1? (paragraph 67 in the NPPF) If so, what should this be?

BDC Response:

The Council does not consider it necessary for there to be a housing requirement for designated neighbourhood plan areas in Policy ST1. Policy ST1 provides the strategic policy framework for the spatial strategy and broad distribution of growth attributed to each tier within the settlement hierarchy, including rural Bassetlaw.

In response to paragraph 67 of the NPPF, and as detailed in the Council's response to Matter 2.4, a housing requirement for designated neighbourhood plan areas has been provided in Part 1 of Policy ST2, as per paragraph 67 of the NPPF. Due to the extent of the rural area and the role neighbourhood planning plays in the District, the approach provides for an appropriate level of growth within rural settlements (as per NPPF, paragraph 79), commensurate with the provisions of Policy ST1 but also takes local circumstances into account, to reflect the character, needs and opportunities of each

settlement, so thereby supports the aims of achieving sustainable development as per NPPF, paragraph 78. As such, the Council considers the housing requirement for designated neighbourhood areas are better suited to a separate, but complementary policy to ST1.